

RP 004/2019



February 20, 2019

Subject : Clarification on the operating results of Year 2018 that show changing more than 20%

Attn : President,
The stock Exchange of Thailand

Raja Ferry Port Public Company Limited would like to notify the operating results of Year 2018 which have been reviewed by the Company's auditor and Audit Committee as detail in the attachment.

Please be informed accordingly.

Yours Sincerely,

(Mr. Apichart Chayopas)

Managing Director

Management Discussion and Analysis of Raja Ferry Port PLC

(For Interim Financial Statement of Year 2018 ended on December 31st, 2018)

Operating Performance Analysis

- Income

Income Structure	4rd Quarter 2018		4rd Quarter 2017		Change (+/-)	
	Mil.Baht	%	Mil.Baht	%	Mil.Baht	%
<i>Revenues from Ferry Service</i>						
- Fixed routes and schedules	145.59	82.02%	134.69	81.35%	10.90	8.09%
- Fixed routes and chartered	11.84	6.67%	11.65	7.03%	0.20	1.67%
<i>Total Revenues from Ferry service</i>	<i>157.43</i>	<i>88.69%</i>	<i>146.33</i>	<i>88.38%</i>	<i>11.10</i>	<i>7.58%</i>
<i>Income from Van services</i>	<i>5.54</i>	<i>3.12%</i>	<i>3.97</i>	<i>2.40%</i>	<i>1.57</i>	<i>39.55%</i>
<i>Income from Other services</i>	<i>1.58</i>	<i>0.89%</i>	<i>0.55</i>	<i>0.33%</i>	<i>1.04</i>	<i>188.91%</i>
<i>Income from Sale of food and convenience goods</i>	<i>11.17</i>	<i>6.29%</i>	<i>10.96</i>	<i>6.64%</i>	<i>0.21</i>	<i>1.92%</i>
<i>Total Revenues from sales and services</i>	<i>175.72</i>	<i>98.99%</i>	<i>161.81</i>	<i>97.73%</i>	<i>13.91</i>	<i>8.60%</i>
<i>Other income</i>	<i>1.78</i>	<i>1.01%</i>	<i>3.76</i>	<i>2.27%</i>	<i>(0.40)</i>	<i>(10.63%)</i>
<i>Total Revenues</i>	<i>177.51</i>	<i>100.00%</i>	<i>165.18</i>	<i>100.00%</i>	<i>11.94</i>	<i>7.21%</i>
Income Structure	2018		2017		Change (+/-)	
	Mil.Baht	%	Mil.Baht	%	Mil.Baht	%
<i>Revenues from Ferry Service</i>						
- Fixed routes and schedules	608.52	81.09%	563.49	80.37%	45.03	7.99%
- Fixed routes and chartered	50.52	6.73%	50.73	7.24%	(0.21)	(0.41%)
<i>Total Revenues from Ferry service</i>	<i>659.04</i>	<i>87.82%</i>	<i>614.22</i>	<i>87.60%</i>	<i>44.82</i>	<i>7.30%</i>
<i>Income from Van services</i>	<i>24.46</i>	<i>3.26%</i>	<i>19.27</i>	<i>2.75%</i>	<i>5.19</i>	<i>26.93%</i>
<i>Income from Other services</i>	<i>3.85</i>	<i>0.51%</i>	<i>2.08</i>	<i>0.30%</i>	<i>1.77</i>	<i>85.10%</i>
<i>Income from Sale of food and convenience goods</i>	<i>49.80</i>	<i>6.64%</i>	<i>51.51</i>	<i>7.35%</i>	<i>(1.71)</i>	<i>(3.31%)</i>
<i>Total Revenues from sales and services</i>	<i>737.15</i>	<i>98.23%</i>	<i>687.08</i>	<i>98.00%</i>	<i>50.08</i>	<i>7.29%</i>
<i>Other income</i>	<i>13.27</i>	<i>1.77%</i>	<i>14.06</i>	<i>2.00%</i>	<i>(0.78)</i>	<i>(5.56%)</i>
<i>Total Revenues</i>	<i>750.43</i>	<i>100.00%</i>	<i>701.13</i>	<i>100.00%</i>	<i>49.30</i>	<i>7.03%</i>

Revenues from Ferry Service	4rd Quarter 2018			4rd Quarter 2017			Changer (+/-)		
	Trip	Mil.Baht	Income pertrip	Trip	Mil.Baht	Income pertrip	%Trip	%Inc	%Income pertrip
- Donsak - Samui Island	3,290	100.03	30,404	3,367	96.28	28,595	(2.29%)	3.89%	6.33%
- Donsak - Phangan Island	1,139	52.48	46,076	1,316	50.81	38,609	(13.45%)	3.29%	19.34%
- Samui Island - Phangan Island	728	4.92	6,758	542	3.68	6,790	34.32%	33.70%	(0.46%)
Total	5,166	157.43	30,527	5,225	150.77	28,856	(1.30%)	4.42%	5.79%
Revenues from Ferry Service	2018			2017			Changer (+/-)		
	Trip	Mil.Baht	Income pertrip	Trip	Mil.Baht	Income pertrip	%Trip	%Inc	%Income pertrip
- Donsak - Samui Island	13,090	423.60	32,361	13,825	382.30	27,653	(5.32%)	10.80%	17.02%
- Donsak - Phangan Island	4,476	214.81	47,992	4,855	214.83	44,249	(7.81%)	(0.01%)	8.46%
- Samui Island - Phangan Island	2,831	20.63	7,287	2066	14.49	7,014	37.03%	42.37%	3.90%
Total	20,397	659.04	32,311	20,746	611.62	29,481	(1.68%)	7.75%	9.60%

Raja Ferry Port Public Co., Ltd (This is called "the Company") had its total revenues in the 4th Quarter of 2018 amounted to 177.51 million Baht, increased by approx. 7.21 % YOY or equal to approx. 11.94 million Baht, whereas the Company had its main income from ferry service which was equal to approx. 88.69 % of its total income, followed by income from sale (sale of foods and convenience goods) or equal to approx. 6.29 % of its total income.

The Company had its total revenues in year 2018 amounted to 750.43 million Baht, increased by approx. 7.03 % YOY or equal to approx. 49.30 million Baht because the main income from ferry service and the income from van service increased by 44.82 million Baht and 5.19 million Baht, respectively.

Moreover, ferry service business was both of fixed route and chartered route in 3 routes of ferry service, including

- the route between Donsak Sakon Harbour and Samui Sakon Harbour
- the route between Donsak Sakon Harbour and Multipurpose port of KohPhangan
- the route between Samui Sakon Harbour and Multipurpose port of KohPhangan

The Company had its income from ferry service provision in the 4th Quarter of 2018 amounted to 157.43 million Baht, increased by approx. 7.58 % or increased to approx. 11.10 million Baht YOY; whereas,

the Company had its main income from ferry service provision in Year 2018 amounted to 659.04 million Baht, Increased by approx. 44.82 million Baht YOY or increased by approx. 7.30 % YOY due to the increase of ferry service rates resulting from the increase of oil prices.

The number of trips in the 4th Quarter of 2018 and Year 2018 increased by approx. 1.30% and 1.68% respectively because increase the numbers of the route between Samui to Phangan from 3 trips per day into 4 trips per day and this route using for "via" (from Donsak Sakon Harbour and Samui Sakon Harbour to Samui Sakon Harbour and Multipurpose port of KohPhangan) in time of none schedule ferry

The Company had its income from sales of food and convenience goods, in the 4th Quarter of 2018 and Year 2018, the Company had its income from sale amounted to 11.17 million Baht and year 2018 amounted to 49.80 million Baht or equal to 6.29% and 6.64% of total sales, respectively.

- Expenses

Expenses Structure	4rd Quarter 2018		4rd Quarter 2017		Changer (+/-)	
	MB	%	MB	%	MB	%
Total Cost of Ferry Service	136.19	76.24%	124.98	75.45%	11.21	8.97%
Cost of Van Service	4.47	2.50%	3.26	1.97%	1.21	37.12%
Cost of Sales	10.89	6.10%	10.55	6.37%	0.34	3.22%
Sell and service expenses	3.28	1.84%	3.76	2.27%	(0.48)	(12.73%)
Administrative expenses	20.66	11.57%	22.04	13.31%	(1.38)	(6.26%)
Financial Cost	2.56	1.43%	0.76	0.46%	1.80	236.73%
Corporate income tax	0.59	0.33%	0.20	0.12%	0.39	195.00%
Total Expenses	178.64	100.00%	165.55	100.00%	13.09	7.91%

Expenses Structure	2018		2017		Changer (+/-)	
	MB	%	MB	%	MB	%
Total Cost of Ferry Service	548.11	75.25%	497.05	74.32%	51.06	10.27%
Cost of Van Service	25.45	3.49%	15.06	2.25%	10.39	68.99%
Cost of Sales	46.38	6.37%	46.53	6.96%	(0.15)	(0.32%)
Sell and service expenses	15.43	2.12%	14.72	2.20%	0.71	4.83%
Administrative expenses	82.27	11.29%	86.05	12.87%	(3.78)	(4.39%)
Financial Cost	7.90	1.08%	4.32	0.65%	3.58	82.80%
Corporate income tax	2.86	0.39%	5.11	0.76%	(2.25)	(44.08%)
Total Expenses	728.39	100.00%	668.84	100.00%	59.55	8.90%

The Company had its total expenses in 4th Quarter of Year 2018 amounted to 178.64 million Baht, increased by 7.91 % or equal to approx. 13.09 million Baht. The main reasons were cost of Ferry service, cost of sale and administrative expenses

The Company had its total expenses in Year 2018 amounted to 728.39 million Baht, increased by 8.90% or equal to approx. 59.55 million Baht. The main reason was the cost of ferry service in Year 2018 increased by 51.06 million Baht or 10.27 % from the same period of last year due to rising world oil prices and the cost of van service; chartered from Bangkok to Phangan) increased by 10.39 million Baht or 68.99% and financial cost (Interest) from loan to buy 2 ferries ("R11" and "R12") increased by 3.58 million Baht or 82.80%.

	4rd Quarter 2018		4rd Quarter 2017		Change (+/-)	
	Unit	%	Unit	%	Unit	%
Revenues from Ferry Service	157.43	100.00%	146.33	100.00%	11.10	7.58%
<u>Deduct</u> Cost of service	(136.19)	(86.51%)	(124.98)	(85.41%)	(11.21)	8.97%
Gross Profit - Ferry Service	21.24	13.49%	21.35	14.59%	(0.11)	(0.53%)
Revenues from Sales	11.17	100.00%	10.96	100.00%	0.21	1.92%
<u>Deduct</u> Cost of Sales	(10.89)	(97.49%)	(10.55)	(96.26%)	(0.34)	3.22%
Gross Profit - Sales	0.28	2.51%	0.41	3.74%	(0.13)	(31.71%)
Income from Van services	5.54	100.00%	3.97	100.00%	1.57	39.55%
<u>Deduct</u> Cost of Van service	(4.47)	(80.69%)	(3.26)	(82.12%)	(1.21)	37.12%
Gross Profit - Van Services	1.07	19.31%	0.71	17.88%	0.36	50.70%
Total Revenues	174.14	100.00%	161.26	100.00%	12.88	7.99%
<u>Deduct</u> Cost of business	(151.55)	(87.03%)	(138.79)	(86.06%)	(12.76)	9.19%
Total Gross Profit	22.59	12.97%	22.48	13.94%	0.11	0.49%
	2018		2017		Change (+/-)	
	Unit	%	Unit	%	Unit	%
Revenues from Ferry Service	659.04	100.00%	614.22	100.00%	44.82	7.30%
<u>Deduct</u> Cost of service	(548.11)	(83.17%)	(497.05)	(80.92%)	(51.06)	10.27
Gross Profit - Ferry Service	110.93	16.83%	117.17	19.08%	(6.24)	(5.33%)
Revenues from Sales	49.80	100.00%	51.51	100.00%	(1.70)	(3.30%)
<u>Deduct</u> Cost of Sales	(46.38)	(93.13%)	(46.53)	(90.34%)	0.15	(0.32%)
Gross Profit - Sales	3.42	6.87%	4.98	9.66%	(1.55)	(31.18%)
Income from Van services	24.46	100.00%	19.27	100.00%	5.19	26.93%
<u>Deduct</u> Cost of Van service	(25.45)	(104.05%)	(15.06)	(78.15%)	(10.39)	68.99%
Gross Profit - Van Services	(0.99)	(4.05%)	4.21	21.85%	(5.20)	(123.52%)
Total Revenues	733.30	100.00%	685.00	100.00%	48.31	7.05%
<u>Deduct</u> Cost of business	(619.94)	(84.54%)	(558.64)	(81.55%)	(61.30)	10.97%
Total Gross Profit	113.36	15.46%	126.36	18.45%	(12.99)	(10.28%)

In the 4th Quarter of 2018, the Company had its gross profit of approx. 22.59 million Baht or equal to 12.97% of the income from sale and ferry service provision; compare with last year increase 0.11 million Baht or equal to 0.49%, main gross profit is ferry service approx. 21.24 million Baht decreased 0.11 million Baht or 0.53%.

In Year 2018, the Company had its gross profit of approx. 113.36 million Baht or equal to approx. 15.46% of the income from sale and ferry service provision; decreased from year 2017 at 12.99 million Baht or equal to 10.28%; whereby, the gross profit was mainly generated from the business of ferry service provision amounted to 110.93 million Baht, equal to 16.83%, decreased by 6.24 million Baht, equal to 5.33%, gross loss from van service 0.99 million Baht or equal to 4.05%, decreased by 5.20 million Baht because of start new route.

- Net Profit (Net Loss)

	4rd Quarter 2018		4rd Quarter 2017		Change (+/-)	
	MB	% of Total revenues	MB	% of Total revenues	MB	%
Net Profit	(1.13)	(0.63%)	(0.37)	(0.21%)	(0.76)	(204.65%)
Net Profit per share (Baht/share)	(0.0059)		(0.002)		(0.004)	(204.65%)
	2018		2017		Change (+/-)	
	MB	% of Total revenues	MB	% of Total revenues	MB	%
Net Profit	22.04	2.94%	32.29	4.61%	(10.26)	(31.75%)
Net Profit per share (Baht/share)	0.12		0.17		(0.05)	(31.75%)

In the 4th Quarter of 2018, the Company had its net loss of 1.13 million Baht, decreased by approx. 0.76 million Baht or decreased by 204.65 % because this period was Low Season of the year, the administrative expenses and cost of sale had increased as above-mentioned and its net loss per share was equal to 0.0059 Baht.

In year 2018, the Company had its net profit of 22.04 million Baht, decreased by approx. 10.26 million Baht or decreased by 31.75 % because its cost of ferry service provision has increased as above-mentioned and its net profit per share was equal to 0.12 Baht, with the net profit margin of 2.94 %; meanwhile, the rate of returns on shareholder's equity was equal to 2.48 %; and the rate of returns on asset was equal to 1.86 %

Statement of Financial Position

	As at Dec 31 st , 2018		As at Dec 31 st , 2017		Change (+/-)	
	MB		MB		MB	%
Total Asset	1,184.16	100.00%	1,072.64	100.00%	111.52	10.40%
Total Liabilities	296.88	25.07%	212.19	19.78%	84.69	39.91%
Shareholder's equity	887.27	74.93%	860.46	80.22%	26.81	3.12%
Book Value (Baht/Share)	4.64		5.06		(0.42)	(8.31%)

Assets;

At the end of year 2018, the Company had its total assets amounted to 1,184.16 million Baht, increased from at the end of 2017 by approx. 111.52 million Baht or increased by 10.40 % by purchasing 1 Ferry name "R12" from China at the amount of 91.20 million Baht which now the Company has 15 ferries. (The Company use Loan from financial institution for purchasing the above ferry "R12").

Liabilities;

At the end of year 2018, the Company had its total liabilities amounted to 296.88 million Baht, increased from at the end of 2017 by approx. 84.69 million Baht or increased by 39.91 % because the Company had applied a loan from financial institutions at the amount of 91.20 million Baht for purchasing new ferry "R12" from China. The Company had its debt to equity ratio at the end of year 2018 at 0.33x, increased from 0.25x at the end of 2017.

Shareholder's Equity;

At December 31, 2018, the Company had its shareholder's equity amounted to 887.27 million Baht, decreased from at the end of 2017 by approx. 26.81 million Baht due to the Company had paid a dividend approx. 2.36 million Baht. The Company's dividend by common share amount 21,249,751 shares at par 1 Baht, now the Company had Paid-up Capital 191,249,751 Baht, net profit for year 2018 was 22.04 million Baht as a result, the book value had decreased from 5.06 Baht per share at the end of 2017 into 4.64 Baht per share at end of December 31, 2018.

Cash Flow

	2018	2017
Net Cash from (Used in) Operating activities	102.06	152.28
Net Cash from (Used in) Investment activities	(194.23)	(196.59)
Net Cash from (Used in) Financing activities	108.90	(41.78)
Net Cash increased (/decreased)	16.74	(86.08)
Beginning cash brought forward	111.43	197.52
Ending cash	128.17	111.43

In year 2018, the Company had its net cash from operating activities amounted to 102.06 million Baht, consisting of profits before income tax amounted to 24.90 million Baht, and trade and other account payables have decreased by 11.43 million Baht.

In year 2018, the Company had its net cash used in investment activities amounted to 194.23 million Baht, because the Company had purchased one new ferry "R12" from China at the amount of 91.20 million Baht and also, invested in buildings and purchased the equipment.

In year 2018, the Company had its net cash used in financing activities amounted to 108.90 million Baht, consisting of repayment of long-term loans to financial institutions amounted to 26.50 million Baht. Also, the Company get new loan at 110.58 million Baht for purchasing one ferry from China and short-term loan from financial institutions 39.00 million Baht.

In year 2018, the Company had its current ratio and quick ratio equal to 1.28 and 1.15 ,respectively.